

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 3191 - HB 3448

February 26, 2010

SUMMARY OF BILL: Authorizes owners of agriculture or forest land to preserve the existing condition of their land against unwanted development. Requires assessors to appraise land at fair market value (FMV) or present use value. Requires assessors using FMV to only assess taxes on 25 percent of present use value.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$9,400

Decrease Local Revenue – \$475,000

Increase Local Expenditures – Not Significant

Assumptions:

- Based on information provided by the Comptroller of the Treasury, there will be approximately 300 additional annual appeals.
- According to the Comptroller, the average cost per appeal to the state is \$31.25 resulting in an increase to state expenditures of \$9,375 (300 x \$31.25).
- There is no cost for appeals at the local government level.
- Based on information provided by the Comptroller, rollback taxes will be reduced by \$5,000 per county resulting in a decrease to local government revenue of \$475,000 (\$5,000 x 95).
- There will be an average of three appeals per county (300 / 95). Additional research and staff time resulting from additional state and local appeals can be accommodated within existing state or local resources and will result in a not significant increase to state expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

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